

30-13

DDA 85-0944/8

2 AUG
1985

MEMORANDUM FOR: Deputy Director for Science and Technology

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Flat Rate Per Diem Proposal

REFERENCE: Memo to DDA fm DDS&T, dated 22 July 1985,
Same Subject

STAT

We have decided to conduct our six-month test of flat rate per diem with the Office of Logistics' employees who travel domestically. When the data is collected and analyzed, we will share the findings with you and solicit your advice and comments.

STAT

[Redacted Signature]

Harry E. Fitzwater

ORIGINAL:EXO/DD [Redacted] al:1 August 1985

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DS&T 633-85
22 JUL 1986

MEMORANDUM FOR: Deputy Director for Administration

FROM: R. E. Hineman
Deputy Director for Science and Technology

SUBJECT: Flat Rate Per Diem Proposal

1. We have reviewed the proposal to implement a test of per diem for OD&E travel for six months. I have the following concerns about the proposal:
 - o I don't have the manpower to support keeping two sets of books during the test.
 - o Having the option to have either per diem or actuals will be confusing at best to the traveler and OD&E/PAB.
 - o Employee morale won't be enhanced as suggested if they have to keep two sets of books; and they will per the proposal.
 - o \$50.00 per day in non-high-rate areas is not realistic in my opinion.
 - o Your proposal suggests that the per diem will cost 10% more. A random sample of 21 accountings processed under the 10% reduction rule, resulted in 19 of the 21 actually losing money on the \$67.50 per diem basis.
2. We support the concept of going to per diem given that the value is sufficient to cover expenses. We would therefore offer the following as an alternative to your proposal:
 - o You send us two auditors for a short period of time (your choice).
 - o We will give them the last six months worth of travel accountings and they can calculate each under an agreed upon set of per diem ground rules to see what statistics fall out.
3. It seems this approach gets at the data Finance wants and would be of a magnitude less disruptive than the current proposal. Clearly it would not take as long to do. Let me know how you want to proceed.


K. E. Hineman

STAT

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